

Gems and Jewelry

Why Trade Matters

INDUSTRY SECTOR REPORT

General information on exports. The United States exported more than \$15 billion in gems and jewelry to 150 countries in 2000. Exports have increased by over 25 percent since 1996.

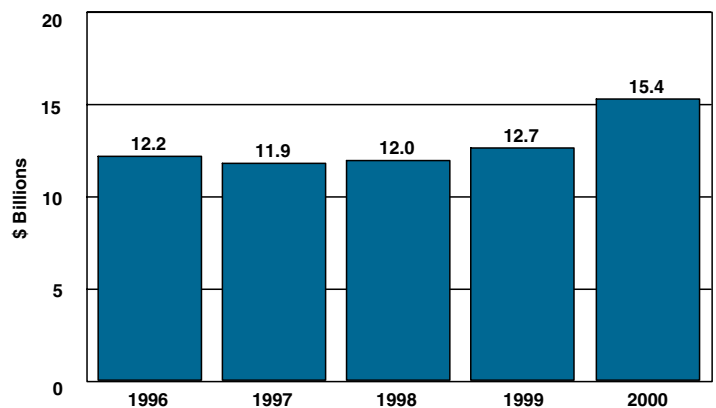
Market development.

Economic recovery in Asia, Latin America, and Europe is key to increases in gems and jewelry exports. Switzerland, the United Kingdom, Israel, Belgium, and Canada accounted for 64 percent of U.S. exports in 2000.

Tariffs. Tariffs are the primary barrier used to limit imports of gems and jewelry. Jewelry tariffs range up to 11 percent for most industrialized countries but are generally much higher for developing countries. Since gems and jewelry are generally considered luxury items, developing countries have traditionally restricted imports through high tariffs. Tariffs reach 20 percent in Colombia and 21 percent in Argentina and Brazil.

Nontariff barriers. State trading of precious stones and metals in some countries acts as a nontariff barrier for the industry. Inadequate intellectual property rights can also serve as a barrier in this sector.

U.S. Exports of
Gems and Jewelry, 1996–2000





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Small and medium-sized enterprises. In 1997, there were 2,293 precious metal jewelry manufacturers and 923 costume jewelry manufacturers in the United States. Of these, only 14 percent of the precious metal jewelry manufacturers and 15 percent of the costume jewelry manufacturers had 20 or more employees.

Employment opportunities. Approximately 38,400 workers are employed by manufacturers of precious metal jewelry and 9,100 workers by manufacturers of costume jewelry. Employment has remained relatively level in the precious metal jewelry industry in recent years.

Leaders in design. U.S. jewelry manufacturers are world leaders in jewelry design.

Key producing states. New Mexico, New York, Rhode Island

The sector. This sector, as defined in the Asia-Pacific Economic Cooperation forum's gems and jewelry initiative, covers a range of products including precious stones and metals, precious metal jewelry, and costume jewelry.

BENEFITS AND EFFECTS FROM PREVIOUS TRADE AGREEMENTS:

- ▶ NAFTA and the Uruguay Round negotiations have lowered many tariff and nontariff barriers to international trade in jewelry, substantially increasing in the volume of trade in this sector.